

Block Island Power Company Transition Team
Town Hall, Old Town Road
October 27, 2016
4:15 p.m.

Present: Chair Barbara MacMullan, Jack Savoie, Bill Penn, Councilor Norris Pike, Kevin Hoyt

Not Present: Town Manager Nancy Dodge, Everett Shorey

Also present: Facilities Manager Sam Bird, Finance Director Amy Land, Renee Meyer for the Block Island Times, and clerk Bonny Ryan to take the minutes.

Meeting was called to order by Ms. MacMullan at 4:13 p.m.

1. Public Input – none

2. Approval of minutes from October 19, 2016

Bill Penn moved to approve the minutes with additions and corrections seconded by Norris Pike
Ayes 5 (MacMullan, Savoie, Penn, Pike, Hoyt) Nays 0 Absent 2(Dodge, Shorey)

3. Discuss and act on the following items:

- **Ensuring that all financing and other necessary legal work is in place for November 7th closing**

Amy Land reported that financing is proceeding as planned.

- **Searching and hiring a President to oversee all operations of the company and managing its conversion to a distribution only utility**

Kirk Johnson of NRECA had sent two proposals. One is for an interim and one for permanent position. Their fees for this are \$7,500 for the interim position. Mr. Johnson says that he already had people interested. The other proposal for the permanent position would be 25% of the first year's salary. It was decided to seek more proposals. Names mentioned for this were:

Nick Giannasca (member of BIRR) recommended by Kevin Brown

Dacri and Associates recommended by Mike Kirkwood from Pascoag.

Signing a contract with NRECA to find an interim CEO to be online as soon as possible after the closing was discussed.

Hiring of the permanent CEO would be the responsibility of the Board of Directors after the closing.

- **Determining (with public input) the best form of governance for the new entity (either co-op or utility district)**

Kirk Johnson of NRECA said that the two major requirements for membership were:

Must be not for profit

Primarily for electric service.

Utility district and co-op are governed by different tax rules.

Coops are required to refund excess revenue to their members.

There was a discussion about the Town retaining non-electrical utility related land and assets.

- **Seek proposals for tax advice for the transition to the new entity.**

Discussed was the special legislation that would be needed and to make that legislation specific to Block Island. It was determined that a utility attorney is needed. Barbara MacMullan will ask Mike Kirkwood of NEPPA to come out again to answer questions. Everett Shorey sent around Tax Questions/Issue with Regard to Town of New Shoreham and Block Island Power Company (attached). This was discussed and some changes made and will be finalized at the next meeting that Mr. Shorey attends. Town Manager Nancy Dodge will try to find us an attorney for help on this. Kevin Hoyt recommended Pierce Atwood.

- **Enter into contracts for purchased power**
Energy New England was hired by BIPCO. Our contracts need to be in place by March.
Everett Shorey circulated BIPCO standard rate offer issues. (See attached).
- **Manage the interconnection to National Grid's cable and system**
Sam Bird reported that National Grid has said that they would be done with their work by early January. BIPCO is about eight (8) weeks behind.
- **Review BIPCO's Financial Management, cash flow and banking relationships.**
Bill Penn will follow up on this.
- **RUS Inspection** – Cliff McGinnes will be contacted about this since it occurred one day before we were led to believe it was happening.
- **DEM requirements from Ron Schroeder** – This was tabled until Nancy Dodge is present.

Next meeting is November 3, at 4:15

At 5:45 p.m. Norris Pike made a motion to adjourn seconded by Kevin Hoyt and voted unanimously.

Minutes accepted: 11/3/2016

Bonny Ryan